State of California
Air Resources Board

BOARD ITEM SUMMARY

ITEM # 07-3-1: Health Update: Health Effects Associated with Traffic-Related Air Pollution

STAFF RECOMMENDATION:
Informational Item

DISCUSSION:
The ARB staff provides the Board with regular updates on recent research findings on the health effects of air pollution. This month, staff will present the findings of research recently published on the effects of living near freeways on lung development in children living in several Southern California communities.

SUMMARY OF AGENDA ITEM:
Health effects from traffic-related pollution have recently received much media attention and the subject is an important research priority at ARB. While the focus of the presentation will be on children, staff will present findings from several studies examining associations between traffic-related pollution and outcomes such as asthma, lung function, respiratory symptoms, heart attacks, strokes, and death. The effect of traffic-related pollutants on the health of children is a recognized concern and this current study provides evidence of long-term health consequences. Investigators from the University of Southern California analyzed eight years of data on lung function development for several thousand children living in Southern California and found that those living closer to freeways had significant decreases in lung development compared to children living further away. The findings from this study indicate the importance of ARB continuing to consider traffic pollution exposures in future research, public health and regulatory efforts.

State of California
Air Resources Board

BOARD ITEM SUMMARY

ITEM #07-3-2: Preview of 2007/08 State Implementation Plan

STAFF RECOMMENDATION:
None. Informational item.

DISCUSSION:
Federal clean air laws require areas with unhealthy levels of ozone and fine particulate matter (PM2.5) to develop plans, known as State Implementation Plans (SIPs), describing how they will attain national ambient air quality standards. Plans for the 8-hour ozone standard and the PM2.5 standard are due to the U.S. Environmental Protection Agency in June 2007 and April 2008 respectively.

The ARB staff is currently developing a comprehensive strategy designed to attain federal air quality standards as quickly as possible through a combination of technologically feasible, cost-effective, and far reaching measures. Local air districts are also developing plans for pollution sources under their jurisdiction. Staff will brief the Board on the status of plan deployment.

SUMMARY AND IMPACTS:
None.

State of California
Air Resources Board

BOARD ITEM SUMMARY

ITEM #06-11-5: Amendments to California's Emission Warranty Information Reporting and Recall Regulations and Emission Test Procedures for Motor Vehicles (continued from December 7, 2006)

STAFF RECOMMENDATION: Adopt the proposed amendments.

DISCUSSION:
ARB's warranty reporting and recall regulations for motor vehicles were originally adopted in 1988. The purpose of the regulations is to detect systemic defects in emission control systems and/or components and to have those addressed. Based on experience in implementing the warranty information reporting and recall regulations, staff believes three aspects of the current regulations need to be improved. The proposed amendments, which will apply to 2010 and subsequent model year vehicles and engines, are summarized below:

1. Proof of Violations: Staff is proposing that once a group of vehicles exceeds a valid warranty claim rate threshold of four percent or 50 claims (whichever is greater), that group of vehicles would be considered to have a systemic defect and be in violation of test procedures and possibly emission standards. The manufacturer would be required to take corrective action.

2. Corrective Action: If the defective component is an exhaust treatment device or an emission control component on a vehicle without a functioning on-board diagnostic (OBD) system, corrective action would be a recall of the affected vehicles to replace the defective component. For all other defective components, the corrective action would be an extended warranty covering the defective part. Based on recent data from the warranty reporting program, most corrective actions in the future would be expected to involve extended warranties.

3. Reporting Requirements: The threshold at which an Emission Warranty Information Report (EWIR) is required would be increased from one percent to four percent or 50 claims (whichever is greater) for all model vehicles subject to reporting requirements. Follow up EWIR reports would be required on an annual basis, rather than quarterly. When the unscreened warranty claims rate reaches ten percent (presumed to represent a valid four percent rate), a Supplemental Emissions Warranty Information Report (SEWIR) would be required. The SEWIR replaces the Field Information Report (FIR), which currently is required when an unscreened claims rate exceeds four percent. The SEWIR would determine the valid claims rate, and if the rate is above four percent the

corrective action process would be triggered. The currently required Emissions Information Report (EIR) would no longer be required.

4. Other Amendments: Revisions to the regulatory language and test procedures are proposed to update or add references and definitions to the regulation, and to provide for more effective implementation and enforcement.

SUMMARY AND IMPACTS:

This proposal was initially considered by the Board on December 7, 2006. After public testimony, the Board continued the item so staff could finalize conceptual changes and work with industry to resolve as many outstanding issues as possible. The revised proposal contains more than 80 changes that address many of industry's comments. The current proposal will reduce emissions to the extent that it results in corrective actions that under the current regulation may not occur. For example, in a recent Daimler-Chrysler Corporation enforcement case involving disintegrating catalysts, staff believes more defective catalysts would have been replaced had these amendments been in effect. Because the rate at which future corrective action is appropriate can not be predicted, staff has not attempted to quantify the emission reductions resulting from the revisions. However, the primary intent of the in-use regulations is to ensure that the benefits the vehicle and engine emission standards are designed to achieve are ultimately obtained.

The manufacturers' reporting costs should be reduced by the significant lessening of the reporting requirements. However, to the extent the amendments increase the number of corrective actions implemented, costs to the manufacturers' that have produced vehicles with defective components will increase. However, staff continues to estimate the industry-wide cost will be roughly equivalent to today's cost.

State of California
Air Resources Board

BOARD ITEM SUMMARY

ITEM # 07-3-3: Proposed Amendments to the Statewide Portable Equipment Registration Program (PERP) Regulation and the Airborne Toxic Control Measure (ATCM) for Diesel-Fueled Portable Engines

STAFF RECOMMENDATION:
Adopt the proposed amendments.

DISCUSSION:
California Health and Safety Code sections 41750 through 41755 authorize ARB to adopt a regulation establishing a uniform statewide Portable Equipment Registration Program (PERP) for the registration and regulation of portable engines and equipment units (portable equipment). The Board adopted the statewide regulation on March 27, 1997, and amended it on December 11, 1998, February 26, 2004, and June 22, 2006 (title 13, sections 2450 through 2465, California Code of Regulations). The regulation establishes a voluntary program to register portable equipment in California in lieu of obtaining permits from air pollution control and air quality management districts (districts).

The Board adopted an Airborne Toxic Control Measure for Diesel-Fueled Portable Engines (Portable ATCM) on February 26, 2004 (title 17, CCR, 93116).

At its September 2006 meeting, the Board received comments from regulated parties that raised concerns regarding the requirements of the PERP Regulation and the Portable ATCM. The Board directed staff to consider options and report back to the Board.

ARB staff developed emergency amendments to these two regulations in consultation with the districts and affected industries. The Board adopted these emergency amendments on December 7, 2006. These emergency amendments became effective on December 27, 2006 for a period not to exceed 120 days.

These amendments now being considered would make permanent the emergency regulatory changes to PERP Regulation and the Portable ATCM adopted by the Board on December 7, 2006. ARB staff is also proposing some minor revisions that are intended to provide clarity and expediency to the implementation of the PERP Regulation.

The proposed amendments are designed to allow unpermitted engines that do not meet current emission standards to obtain district permits or enter PERP under specified conditions, including the collection of back registration and inspection fees for PERP. In addition, the proposed amendments remove the requirement that hours of operation

be tracked for rental equipment units, which is unnecessary since records of daily throughput are kept for demonstration of compliance with emission limits.

SUMMARY AND IMPACTS:
The proposed amendments would have the effect of opening the district permit programs and the PERP regulation to allow older engines to obtain permits or registration that would not otherwise qualify. They also would provide regulatory relief for affected industry relative to the availability, sale, purchase, and registration of complying engines.

There is no adverse economic impact of the proposed amendments on affected private businesses because they operated at a competitive advantage during the time that they operated without paying the fees associated with the appropriate permits to operate or registration. The collection of back fees for PERP in the proposed amendments will most likely result in an increased cost to private business and governmental agencies that did not comply with the requirements to either obtain an air quality permit or registration for their engines. However, this increased cost is very minor compared to the cost of having to purchase new engines if these amendments are not approved.

The proposed amendments would likely preserve the reductions of oxides of nitrogen and diesel particulate matter emissions that were contained in the originally-adopted PERP Regulation and Portable ATCM. The majority of the preserved reductions are expected to occur through the increased participation of engines in a regulatory program that will eventually reduce emissions from such equipment due to either replacement or retrofitting at the appropriate time.

State of California
Air Resources Board

BOARD ITEM SUMMARY

ITEM # 07-3-4: Emergency Amendments to the Statewide Portable Equipment Registration Program (PERP) Regulation and the Airborne Toxic Control Measure (ATCM) for Diesel-Fueled Portable Engines

STAFF RECOMMENDATION:
Adopt the emergency amendments.

DISCUSSION:
The Board adopted the Portable Equipment Registration Program (PERP) Regulation on March 27, 1997 (title 13, CCR, 2450-2456), and subsequently modified it on December 10, 1998, February 26, 2004, and June 22, 2006.

The Board adopted an Airborne Toxic Control Measure for Diesel-Fueled Portable Engines (Portable ATCM) on February 26, 2004 (title 17, CCR, 93116).

At its September 2006 meeting, the Board received comments from regulated parties that raised concerns regarding the requirements of the PERP Regulation and the Portable ATCM. The Board directed staff to consider options and report back to the Board.

ARB staff developed emergency amendments to these two regulations in consultation with the districts and affected industries. The Board adopted these emergency amendments on December 7, 2006. These emergency amendments became effective on December 27, 2006 for a period not to exceed 120 days, with the last day being April 26, 2007.

Staff is proposing amendments (Agenda Item 07-3-3) that would make permanent the emergency regulatory changes to the PERP Regulation and the Portable ATCM adopted by the Board on December 7, 2006, but they will not become effective before the expiration of those emergency amendments. Therefore staff is again proposing emergency amendments to the PERP Regulation and the Portable ATCM so there will be no loss of regulatory authority between the time the original emergency amendments expire and when the permanent amendments take effect.

SUMMARY AND IMPACTS:
The emergency amendments address opening the district permit programs and the PERP regulation to allow older engines to obtain permits or registration that would not otherwise qualify. They also would provide regulatory relief for affected industry relative to the availability, sale, purchase, and registration of complying engines.

These emergency amendments would ensure the ability of owners or operators of these engines to continuously obtain district permits or CARB registration.

There is no adverse economic impact of the proposed emergency amendments on the affected private businesses because they operated at a competitive advantage during the time that they operated without paying the fees associated with the appropriate permits to operate or registration. The collection of back fees for PERP in the emergency amendments will most likely result in an increased cost to private business and governmental agencies that did not comply with the requirements to either obtain an air quality permit or registration for their engines. However, this increased cost is very minor compared to the cost of having to purchase new engines if these emergency amendments are not adopted.

These emergency amendments would continue to preserve the reductions of oxides of nitrogen and diesel particulate matter emissions that were contained in the originally-adopted PERP Regulation and Portable ATCM. The majority of the preserved reductions are expected to occur through the increased participation of engines in a regulatory program that will eventually reduce emissions from such equipment due to either replacement or retrofitting at the appropriate time.